

Name of Committee: Override Study Committee

Meeting Date: February 12, 2014

Time: 6:00 p.m.

Meeting Location: Town Hall- 5th Floor School Committee Room

Members Present:

X	Clifford Brown	X	Kevin Lang	X	Beth Jackson Stram
X	Alberto Chang		Carol Levin		Timothy Sullivan
X	Chad Ellis		Sergio Modigliani	X	Ann Connolly Tolkoff
X	Janet Gelbart	X	Lee Selwyn	X	Dick Benka – Co-Chair
X	Michael Glover	X	Lisa Serafin Sheehan	X	Susan Wolf Ditkoff – Co-Chair
X	Carol Kamin		James Stergios		

Staff Present: Melissa Goff, Assistant Town Administrator; Peter Rowe, Deputy Superintendent for Administration and Finance

Others Present: Betsey DeWitt, Chair, Board of Selectmen; Alan Morse, Chair, School Committee

Topic: Further discussion of February 10 items

The meeting began with the continued discussion on the long run vs. incremental cost models. Kevin Lang is not in favor of using Lee Selwyn's model and outlines his reasoning for not going with this approach. Lee defended his approach and outlined his reasoning for using his model. Susan Wolf Ditkoff asked what approach the whole Committee was comfortable using. Dick Benka suggested that since there was only a \$999 difference between Kevin and Lee's position that the difference will not make a difference when looking at policy decisions. Lee's model provides justification. They have the range from one model and two midpoints. Kevin said that he thinks capital should be treated differently, but not taken out of the equation. Beth Jackson Stram said that it is good to consider capital when looking at all-in costs, but it should be able to be untied. Scale is important when considering the policy number vs. the budget numbers. Lisa Serafin Sheehan and Lee's analysis are on parallel tracks and will have policy and budget implications. Lisa agreed that the ongoing capital costs are important to capture in Lee's model, but that the numbers are dwarfed by the operating numbers. Susan said that the long run numbers are in the range. The Committee agreed that a range of \$15-17K should be used when looking at long-term policies. The year's 1-5 budgetary numbers for operating and capital will be looked at separately, but will approach the range used in the long-term approach.

Alberto asked if the FY15 Superintendent's FY15 Budget had any impact on the numbers given the change in the tuition for international students. Cliff Brown said there is such a small number of this population, that it shouldn't make a difference. Peter Rowe agreed, and said that the number comes from the Department of Education's per pupil number for FY12. Ann Connolly Tolkoff asked about the range and when does it make a difference- at one student, two etc.? Beth responded that the budget numbers will be built up and will provide that answer. Beth said that the next steps will be to lay out scenarios and to explore 2-5 year numbers which will then be scrubbed after discussions with Bill and Peter.

Topic: Discussion of future OSC timeline and deliverables

Dick said that he does not want to lose momentum now that the time constraint of the 3/1 date is off. He would like to bring the reports to a conclusion. He thinks that between now and May/June they should be able to bring their work to a written report. Then they would go on hiatus for the summer. Recommendations are needed, and he is not sure if it would be possible to have those before the summer. Then final deliverables would be made in September/October. Susan said that they learned from B-Space that these kinds of conversations are hard to have over the summer. A separate process kicks off after the committee completes its work. Lisa Serafin Sheehan said that she thought that they may be closer than June. They have been asked to quantify the 46-item list compiled before the public hearing. Susan said that the list might need to be prioritized. Lisa asked how that would get combined with a recommendation. A target would help. Janet Gelbart said that she would like to have an understanding of the full picture before voting on one item in isolation. It's hard to look at the items in piecemeal. They need to understand the tradeoffs. It might be better if presented a menu of options and then they could hash out the items. Lisa said it would be helpful if they could have a timeline that they could work from.

Dick said that the final decision as to what goes on the ballot is up to the Board of Selectmen with consultation with the School Committee. There are moving pieces. 11% is the initial number, but there are ranges that were used to get to that number. They could take the structural number and the school request and use that as a starting point to build off of. Betsy Dewitt cautioned against using numbers that were contingent on policy decisions that haven't been implemented. They want to see variables and the impact. It needs to be clear and understandable for the public. Chad Ellis noted that if 11% is the all in number that any way to get to a lower number would mean policy changes would have to happen. Janet said she could see a recommendation that would give a range where 11% was the high end and if x policy was implemented it would be Y%. Lee said that class size would impact the amount of an override. How do voters weigh in on that choice? Alan Morse said that the timing is important. They need time to consider changes. Kevin said that things will get clearer as the conversations emerge. Susan said that at the very least the Committee needs to agree on a fact base. Chad said he thinks they need to be aggressive on core recommendations in order to give time for vetting. They may not have a full set of recommendations on every issue but at least they should have potential policy implications laid out. The Committee discussed what a lower number would mean for policy implementation. Betsy stressed that a clear message is needed. The Committee discussed how their work is different from an override campaign and how they needed further guidance on what their final product should be. They discussed the new timeframe as somewhere between 3-5 years now that the FY15 budget is in process. Beth said that longer term issues should be flagged as well as those that are challenging to implement and those that are easier to implement. Ann expressed concerns about what the public knows about the OSC's work. People think that their job is to find the money for the B-Space recommendations. Susan said that a second public hearing might be necessary if specific policy change recommendations are made.

Topic: Community Preservation Act; other potential revenue sources

Alberto Chang asked for feedback on his report that was sent on the CPA. That information can be found here:

Janet said that she is concerned about the timing. Voters know an override is coming, which means that the CPA is likely to fail. Kevin said that the State match that the CPA provides should be an incentive to pass the CPA. Chad asked if it might be easier to pair the CPA and override votes together so that the link is clear. Alberto said that they forgo \$600K every year that it's not on the ballot. That is why they were recommending it as soon as possible. Kevin said that increasing spending vs. supplanting are different campaigns. It would be hard to mix votes, and it's likely you wouldn't get consensus on both. Chad said that it's difficult to sell because the override number hasn't been defined yet. People won't believe the number that gets produced was a reduced number based on the CPA. Janet said that people might be confused by two proposals back-to-back. The Committee discussed the prioritization in the CIP vs. having to do projects if the CPA passes. Kevin said that the money could be banked if not used in a particular year. The challenge would be how to put the CIP together.

Carol Kamin asked why the CPA hasn't passed in Brookline yet. Kevin said that the first time it was attempted there were concerns over the process. Some thought the committee that decides projects could run amuck. The second time they were looking at a 3% increase and probably should have gone for 1%. Given that an override was on the horizon at that time it is likely why it failed. Dick said that the law has changed to broaden the eligible projects and voters may need more information. Alberto said that the subcommittee is looking for consensus from the Override Study Committee if the CPA is a good idea. Then they can discuss timing. Carol said that she thought it was an interesting proposal if they were able to package it together. Beth said that she thinks the CPA is a good idea, but that they shouldn't need to figure out the politics. The decision on timing and how the ballot should be structured should be left to the Selectmen. Lee asked if it were possible to time the vote for the November election given that it's a congressional election. Cliff asked why there wouldn't be a public hearing on this if the subcommittee is looking for the OSC to make this a recommendation. Kevin said that they are looking to raise the issue with the Selectmen given the timing concerns. Janet said that there may be a perception that this is coming out of left field, and should be done outside of the OSC process if it cannot wait for the OSC report.

Chad asked if the CPA had to be a separate vote. Kevin said that it does. Dick said that he is not getting the sense that the OSC feels that the CPA is a bad idea. The "free money" is hard to resist. Carol made a motion that the Override Study committee believes that the CPA is an idea worth consideration and that the Revenue Subcommittee's report be submitted to the Selectmen. Ann seconded the motion. The committee voted 10-0-1 in favor of the motion.

The Committee discussed the Revenue Subcommittee's report on the Real Estate Transfer tax. Chad asked how the amount in the report got determined. Alberto said that after discussing with Gary McCabe they got to a number that they thought might work. The Committee discussed who the tax would eventually impact. Lisa asked if there was flexibility on how the split is made. Cliff said that it doesn't matter since it will always affect the sale price. Michael Glover said he would like to know how it's structured in other communities. What is the custom? Alberto said there are a lot of hurdles associated with the proposal. Chad asked what makes this a better source of revenue than an override. Alberto said that it could be considered a premium for a quality school system, and it only hits for one year. Kevin added that buyers tend to be younger and more inclined to pay more for entry into this school system. Janet asked if this is a longer term proposal is there a need to decide on this now. Alberto said that lead time would be

necessary if this recommendation would move forward. Janet responded that the Pension Subcommittee also has long-term recommendations, and does not see why they would be treated differently. Alberto said that the subcommittee is looking for guidance on whether or not they should continue to work on this idea. Lee said that he is against the proposal. He does not like the disproportionate impact, and how it does not specify which services the revenue would support. Lisa asked if there was a way to designate the revenue for one thing. Kevin said it would depend on how the legislation was crafted. Alberto said that based on what he was hearing from the Committee they will put this proposal on the back burner.

Topic: Other Business

Susan queried the various subcommittees to get a sense of when they would be ready to discuss their findings with the full committee. In addition to the continuation of Revenue it looks like Fiscal Policies and Pensions and Benefits are ready for discussion. Capital and then Schools would be next. Smaller school issues might be ready sooner. Demographics and Municipal hope to have something ready by the end of March. Lisa said that a calendar would be helpful to keep everyone on track. The committee discussed various outlets to communicate their work to the public, but it was agreed that they needed to hash things out more before that could happen.

The meeting concluded at 9PM